

**- DECISION -**

Claimant:	Decision No.:	1742-BR-13
JOHN N TRAYNHAM	Date:	April 29, 2013
	Appeal No.:	1235357
	S.S. No.:	
Employer:	L.O. No.:	64
NORTHROP GRUMMAN CORPORATION	Appellant:	Claimant

Issue: Whether the claimant is receiving or has received a governmental or other pension, retirement or retired pay, annuity or other similar periodic payment which is based on any previous work of such individual, which is equal to or in excess of his/her weekly benefit amount, within the meaning of Maryland Code, Labor and Employment Article, Title 8, Section 1008.

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**- NOTICE OF RIGHT OF APPEAL TO COURT -**

You may file an appeal from this decision in the Circuit Court for Baltimore City or one of the Circuit Courts in a county in Maryland. The court rules about how to file the appeal can be found in many public libraries, in the Maryland Rules of Procedure, Title 7, Chapter 200.

The period for filing an appeal expires: May 29, 2013

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**REVIEW OF THE RECORD**

After a review of the record, the Board adopts the hearing examiner's findings of fact and conclusions of law. The Board modifies the hearing examiner's decision to reflect the partial contributions made by the claimant to his pension.

The General Assembly declared that, in its considered judgment, the public good and the general welfare of the citizens of the State required the enactment of the Unemployment Insurance Law, under the police powers of the State, for the compulsory setting aside of unemployment reserves to be used for the benefit of individuals unemployed through no fault of their own. *Md. Code Ann., Lab. & Empl. Art., §8-102(c)*.

Unemployment compensation laws are to be read liberally in favor of eligibility, and disqualification provisions are to be strictly construed. *Sinai Hosp. of Baltimore v. Dept. of Empl. & Training*, 309 Md. 28 (1987).

The Board reviews the record *de novo* and may affirm, modify, or reverse the findings of fact or conclusions of law of the hearing examiner on the basis of evidence submitted to the hearing examiner, or evidence that the Board may direct to be taken, or may remand any case to a hearing examiner for purposes it may direct. *Md. Code Ann., Lab. & Empl. Art., §8-510(d); COMAR 09.32.06.04*. The Board fully inquires into the facts of each particular case. *COMAR 09.32.06.03(E)(1)*.

*Md. Code Ann., Labor & Emp. Article, § 8-1008* and *COMAR 09.32.02.14* provide that an individual may be partially disqualified from the receipt of benefits for each week in which the Secretary determines that the individual, who is otherwise eligible for benefits, receives a retirement payment, if the weekly amount of the retirement payment is less than the individual's weekly benefit amount. In such a case, the individual may receive benefits which are reduced by the amount of the retirement payment.

As provided in §8-1008, "retirement payment" means an amount in the form of a pension, annuity, or retirement or retired pay from a trust, annuity, profit sharing plan, insurance fund, annuity or insurance contract, or any other similar lump sum or periodic payment that is based on any previous covered employment for a base period employer under a plan paid for wholly or partly by a base period employer and does not include a payment from a state or federal workers' compensation program.

*Md. Code Ann., Labor & Emp. Article, §8-1008*, further provides a formula to compute the effect of a retirement payment on eligibility for benefits, which states that: (1) if a base period employer paid the full cost of the plan that provides the retirement, the full retirement payment shall be considered; and (2) if a base period employer paid only part of the cost of the plan that provides the retirement payment, 50% of the retirement payment shall be considered. In addition, §8-1008, requires that to compute the weekly amount of a periodic retirement payment, it shall be prorated on a weekly basis for the period between periodic retirement payments. Read collectively, *Maryland Code, Labor & Employment Article, Title 8, Section 101 (c) and (b)*, define "base period employer" as "any employing unit who paid wages to an individual during the first 4 of the last 5 completed calendar quarters immediately preceding the start of the benefit year."

In his appeal, the claimant contends that when he filed his claim and, "...was initially interviewed [sic] on the phone and was not asked if I was receiving pension..." [emphasis in original]. The claimant further contends: "...pension – shouldn't be considered if I am – still in job-search mode." The claimant does not dispute the receipt of his pension payment from a base-period employer and does not dispute the amount of that pension.

On appeal, the Board reviews the evidence of record from the Lower Appeals hearing. The Board will not order the taking of additional evidence or a new hearing unless there has been clear error, a defect in the record, or a failure of due process. The record is complete. The claimant appeared and testified. The necessary elements of due process were observed throughout the hearing. The Board finds no reason to order a new hearing or take additional evidence in this matter.

The Board has thoroughly reviewed the record from the hearing and generally concurs with the hearing examiner's findings of fact and conclusions of law. The Board modifies the hearing examiner's decision to reflect the fact that the claimant made part of the contribution to the pension he now receives.

The claimant was likely not asked about his pension at the time of his initial interview because he was not receiving pension payments at that time. Regardless, the claimant does receive a pension, from a base-period employer. That base period employer made contributions to the claimant's pension. Half of the pension payments from a contributing base period employer must be deducted from a claimant's unemployment insurance benefits payments. It is immaterial whether the claimant is seeking other employment.

The hearing examiner should have reduced, by 50%, the deduction from the claimant's pension because of his partial contributions. One-half of the claimant's pension payment, pro-rated weekly, is \$250.27. That amount should be deducted from his weekly benefit amount. If the claimant is otherwise qualified and eligible for benefits, he is entitled to his weekly benefit of \$430.00, less \$250.27.

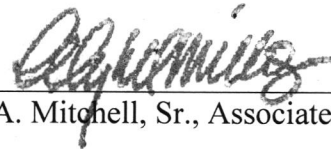
### DECISION

IT IS HELD THAT the claimant does receive a pension payment from a base-period employer. Both the claimant and the employer made contributions to this pension. Pursuant to *Maryland Code Ann., Labor and Emp. Article, §8-1008*, the claimant's pension payments are partially disqualifying.

The Hearing Examiner's decision is affirmed, as modified.



Donna Watts-Lamont, Chairperson



Clayton A. Mitchell, Sr., Associate Member

KJK/mw

Copies mailed to:

JOHN N. TRAYNHAM  
NORTHROP GRUMMAN CORPORATION  
SUSAN BASS DLLR  
NORTHROP GRUMMAN CORPORATION  
Susan Bass, Office of the Assistant Secretary

**UNEMPLOYMENT INSURANCE APPEALS DECISION**

JOHN N TRAYNHAM

SSN #

**Claimant**

vs.

NORTHROP GRUMMAN CORPORATION

**Employer/Agency**

Before the:

**Maryland Department of Labor,  
Licensing and Regulation**

**Division of Appeals**

1100 North Eutaw Street

Room 511

Baltimore, MD 21201

(410) 767-2421

Appeal Number: 1235357

Appellant: Claimant

Local Office : 64 / BALTOMETRO  
CALL CENTER

November 14, 2012

**For the Claimant:** PRESENT

**For the Employer:**

**For the Agency:**

**ISSUE(S)**

Whether the claimant's receipt of a pension based on wages from a base period employer is disqualifying within the meaning of MD Code Annotated, Labor and Employment Article, Title 8, Section 1008.

**FINDINGS OF FACT**

The Claimant, John Traynam, began receiving a contributory pension from this employer in April, 2012. The amount of the pension is \$2,169.00 per month. The Claimant filed a claim for unemployment insurance benefits establishing a benefit year effective March 11, 2012 and a weekly benefit amount of \$430.00.

**CONCLUSIONS OF LAW**

Md. Code Ann., Labor & Emp. Article, Section 8-1008 and COMAR 09.32.02.14 provide, in essence, that an individual may be disqualified from receiving benefits for each week in which the Secretary determines that the individual, who otherwise is eligible for benefits, receives a retirement payment, if the weekly amount of the retirement payment at least equals the individual's weekly benefit amount.

As provided in Section 8-1008, "retirement payment" means an amount in the form of a pension, annuity, or retirement or retired pay from a trust, annuity, profit sharing plan, insurance fund, annuity or insurance contract, or any other similar lump sum or periodic payment that is based on any previous covered employment for a base period employer, and does not include a payment from a state or federal workers' compensation program.

Section 8-1008 further provides a formula to compute the effect of a retirement payment on eligibility for benefits, which states that: (1) if a base period employer paid the full cost of the plan that provides the retirement, the full retirement payment shall be considered; and (2) if a base period employer paid only part of the cost of the plan that provides the retirement payment, 50% of the retirement payment shall be considered.

In addition, Section 8-1008 requires that to compute the weekly amount of a periodic retirement payment, it shall be prorated on a weekly basis for the period between periodic retirement payments. To compute the weekly amount of a lump sum retirement payment, it shall be allocated to the number of weeks that follow the date of separation from employment in accordance with the number of weeks of pay that an individual received at the individual's last wage rate.

Md. Code Ann., Labor & Emp. Article, Section 8-1008 and COMAR 09.32.02.14 provide that an individual may be partially disqualified from the receipt of benefits for each week in which the Secretary determines that the individual, who is otherwise eligible for benefits, receives a retirement payment, if the weekly amount of the retirement payment is less than the individual's weekly benefit amount. In such a case, the individual may receive benefits which are reduced by the amount of the retirement payment.

As provided in Section 8-1008, "retirement payment" means an amount in the form of a pension, annuity, or retirement or retired pay from a trust, annuity, profit sharing plan, insurance fund, annuity or insurance contract, or any other similar lump sum or periodic payment that is based on any previous covered employment for a base period employer under a plan paid for wholly or partly by a base period employer and does not include a payment from a state or federal workers' compensation program.

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In addition, Section 8-1008 requires that to compute the weekly amount of a periodic retirement payment, it shall be prorated on a weekly basis for the period between periodic retirement payments. To compute the weekly amount of a lump sum retirement payment, it shall be allocated to the number of weeks that follow the date of separation from employment in accordance with the number of weeks of pay that an individual received at the individual's last wage rate.

## EVALUATION OF EVIDENCE

A Claimant who receives a pension is ineligible for (or the extent that) benefits if it is established, by a preponderance of the evidence, that the pension payments meet the requirements as set forth in Section 8-1008 above. In the case at bar, this burden has been met. The Claimant receives a pension from a base period employer that exceeds his weekly benefit amount. Accordingly, I hold that the Claimant is in receipt of disqualifying pension pursuant to Section 8-1008.

## DECISION

IT IS HELD THAT the claimant is in receipt of a retirement payment that effectively disqualifies the claimant from receiving benefits within the meaning of Md. Code Ann., Labor & Emp. Article, Section 8-1008 and COMAR 09.32.02.14. Benefits are denied for the week beginning April 1, 2012 and until the receipt retirement pay is no longer a bar to benefits. The claimant will then be eligible for benefits so long as all other eligibility requirements are met. The claimant may contact Claimant Information Service concerning the other eligibility requirements of the law at [ui@dllr.state.md.us](mailto:ui@dllr.state.md.us) or call 410-949-0022 from the Baltimore region, or 1-800-827-4839 from outside the Baltimore area. Deaf claimants with TTY may contact Client Information Service at 410-767-2727, or outside the Baltimore area at 1-800-827-4400.

The determination of the Claims Specialist is affirmed.



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S. Moreland, Esq.  
Hearing Examiner

### Notice of Right to Request Waiver of Overpayment

The Department of Labor, Licensing and Regulation may seek recovery of any overpayment received by the Claimant. Pursuant to Section 8-809 of the Labor and Employment Article of the Annotated Code of Maryland, and Code of Maryland Regulations 09.32.07.01 through 09.32.07.09, the Claimant has a right to request a waiver of recovery of this overpayment. This request may be made by contacting Overpayment Recoveries Unit at 410-767-2404. If this request is made, the Claimant is entitled to a hearing on this issue.

**A request for waiver of recovery of overpayment does not act as an appeal of this decision.**

**Esto es un documento legal importante que decide si usted recibirá los beneficios del seguro del desempleo. Si usted disiente de lo que fue decidido, usted tiene un tiempo limitado a apelar esta decisión. Si usted no entiende cómo apelar, usted puede contactar (301) 313-8000 para una explicación.**

**Notice of Right of Further Appeal**

Any party may request a further appeal either in person, by facsimile or by mail with the Board of Appeals. Under COMAR 09.32.06.01A(1) appeals may not be filed by e-mail. Your appeal must be filed by November 29, 2012. You may file your request for further appeal in person at or by mail to the following address:

Board of Appeals  
1100 North Eutaw Street  
Room 515  
Baltimore, Maryland 21201  
Fax 410-767-2787  
Phone 410-767-2781

**NOTE:** Appeals filed by mail are considered timely on the date of the U.S. Postal Service postmark.

Date of hearing : November 02,2012

CH/Specialist ID: RBA8U

Seq No: 004

Copies mailed on November 14, 2012 to:

JOHN N. TRAYNHAM

NORTHROP GRUMMAN CORPORATION

LOCAL OFFICE #64

SUSAN BASS DLLR

NORTHROP GRUMMAN CORPORATION